

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, D.C.

SERVED February 10, 1996

Issued by the Department of Transportation on the 22nd day of January 1996

Applications of

AMERICAN AIRLINES, INC. CONTINENTAL AIRLINES, INC. DELTA AIR LINES, INC.

FLAGSHIP AIRLINES, INC.
d/b/a AMERICAN EAGLE
NORTHWEST AIRLINES, INC.
SHUTTLE, INC. d/b/a USAIR SHUTTLE
TRANS WORLD AIRLINES, INC.
VALUJET AIRLINES, INC.

for certificate authority pursuant to 49 U.S.C. 41102 (U.S.-Canada)

OST-95-105 OST-95-72 OST-95-92 OST-95-93

> OST-95-102 OST-95-90 OST-95-68 OST-95-70 OST-95-100

ORDER ISSUING CERTIFICATES

Summary

By this order, we grant the certificate applications of American Airlines, Inc.; Continental Airlines, Inc.; Delta Air Lines, Inc.; Flagship Airlines, Inc., d/b/a American Eagle; and Northwest Airlines, Inc., to provide first-year services between various points in the United

¹ See attached Appendix for original dockets numbers. New docket numbers have been assigned as a result of changes in the docket numbering system. All matters filed in these dockets should reference the new docket numbers.

States and Montreal, Quebec, Canada, under the 1995 U.S.-Canada aviation agreement (1995 Agreement). We dismiss, without prejudice, the requests of these carriers, and Trans World Airlines, Inc. (TWA), in the captioned dockets to operate additional U.S.-Montreal services during the second year of the 1995 Agreement.

Background

On February 24, 1995, the United States and Canada signed a new air transport agreement making possible expanded opportunities for the carriers of both countries, including new service at Montreal to be phased in over a two-year period. Specifically, for each of the two years, the United States may designate six carriers for Montreal services, with each carrier being able to operate two daily round-trip frequencies. At the end of the transitional period, February 24, 1997, services will not be restricted. The 1995 Agreement also provides that existing coterminal route authorities may be split into separate routes and redesignated to the same or different airlines, and eliminates restrictions on existing Route D.2 with respect to Montreal service.²

By Notices dated December 22 and 28, 1994, and January 6, 1995, we solicited certificate and *pendente lite* exemption applications from U.S. carriers interested in providing new first-year services in the U.S.-Canada markets under the 1995 Agreement. ³ This order addresses only the certificate applications for services between the United States and Montreal (including requests for the six new first-year designations, as well as requests to split certain existing coterminal routes and to remove operating restrictions on certain routes).⁴

Applications⁵

A. New Designations

In response to the Department's notices, Continental, Delta, American Eagle, Northwest, USAir Shuttle, and Valujet applied for new certificate authority for the six new designations

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² Route D.2 authorizes service between Houston/Dallas/Ft. Worth and Toronto/Montreal. Services on the route were subject to the restriction that services to Montreal include a mandatory intermediate stop in Toronto.

These notices were served on all U.S. certificated air carriers and are available for viewing in the U.S. Air Carrier Licensing Division, Room 6412, 400 Seventh Street, SW, Washington, DC.

⁴ In order to take advantage of the immediate availability of these services, the Department granted *pendente lite* exemption authority for first-year services in various U.S.-Montreal markets. See Order 95-2-54 in the *U.S.-Montreal Exemption Proceeding* (Docket 50050).

⁵ The applicants have filed and perfected each application as required by 14 CFR 201 and served the applications as required by 14 CFR 302.1705. Certain pleadings filed in response to these applications were accompanied by motions for leave to file otherwise unauthorized documents or to file late. We will grant the motions.

for service in the U.S.-Montreal market. ⁶ Those applications are described in the Appendix to

⁶ Each of these carriers received exemption authority to inaugurate new U.S.-Montreal services pursuant to the 1995 Agreement in the $U.S.-Montreal\ Exemption\ Proceeding$.

this order. In addition, Delta and TWA filed separate applications (Dockets OST-95-93 and OST-95-70, respectively), to operate additional new services during the second year of the 1995 Agreement. All of the applicants filed answers to the other applications. Continental, Flagship, and Valujet filed replies. As only six carriers applied for the six designations available in the first year, the applicants urge the Department to grant all of the first-year requests.

B. Other Montreal Applications

Route D.2 of the 1966 U.S.-Canada aviation agreement authorizes services between the coterminal points Dallas/Ft. Worth and Houston, Texas, and the coterminal points Montreal and Toronto, Canada. Operations on the route were subject to the condition that all flights serving Montreal also serve Toronto. American currently holds certificate authority to serve the markets under its certificate for Route 325. Condition 7 of the certificate specifically requires that all Montreal flights also serve Toronto as required by the provisions of the 1966 agreement. American seeks amendment of its certificate to remove the mandatory stop condition based on the provisions of the 1995 Agreement removing the mandatory Toronto stop on Route D.2.

The 1995 Agreement also provides that all existing coterminal routes under the 1966 Agreement may be split into separate routes and redesignated to the same or different airlines. In this regard, Continental requests a split of Route D.2 to authorize Continental to serve the Houston-Montreal/Toronto markets while permitting American to retain the Dallas/Ft. Worth-Montreal/Toronto portion of the route. ⁸

No answers in opposition to these requests were filed.

Civic Parties

A number of Civic parties filed in support of certain of the applications. Specifically, the City of Cleveland and the New Jersey Parties filed in support of Continental's application (OST-95-72); ⁹ the Cincinnati Parties and the Georgia and Atlanta Parties filed in support of Delta's

⁷ Applications for Montreal services were due no later than January 19, 1995 (see Department Notices dated December 22 and 28, 1994, and January 6, 1995). American filed its application on January 23, 1995, and accompanied its application with a motion for leave to file a late application. We will grant the motion.

⁸ Continental states that American currently holds the D.2 route authority but is not operating any nonstop Houston-Montreal or Houston-Toronto service.

⁹ The City of Cleveland owns and operates Cleveland Hopkins International Airport. The New Jersey Parties include the City of Newark, New Jersey Department of Commerce and Economic Development and Regional Business Partnership of the Newark Chamber of Commerce.

applications (OST-95-92 and OST-95-93); ¹⁰ the Minneapolis/St. Paul Metropolitan Airports Commission filed in support of Northwest's application (OST-95-90); Massport filed in support of USAir Shuttle's application (OST-95-68); ¹¹ the St. Louis Parties filed in support of TWA's application (OST-95-70); ¹² and the Metropolitan Washington Airports Authority filed in support of Valujet's application (OST-95-100).

Decision

We find that approval of the applications filed by Continental, Delta, American Eagle, and Northwest to provide new Montreal services during the first year under the 1995 Agreement is consistent with the public convenience and necessity. We also find that it is in the public interest to grant American's certificate restriction removal application regarding its services in the Dallas/Ft. Worth-Montreal market and Continental's request to spilt Route D.2 so that it may serve the Houston-Montreal/Toronto markets. All of the proposed services will contribute to the variety of price and service options available to travelers and shippers in the Montreal market. Moreover, all of the authority requested is consistent with the provisions of the 1995 U.S.-Canada Air Transport Agreement.

We find that American, Continental, Delta, American Eagle, and Northwest are fit to provide the authorized services. Each has previously been found to be a citizen of the United States and fit to provide scheduled foreign air transportation. ¹³

Because this order only addresses first-year services under the 1995 Agreement, we will dismiss, without prejudice, the captioned applications, or portions thereof, requesting second-year authority to serve Montreal. ¹⁴ By Order 95-2-57, we decided to consider awards for

¹⁰ The Cincinnati Parties include the Cincinnati/Northern Kentucky International Airport, the Greater Cincinnati Chamber of Commerce, and the City of Cincinnati. The Georgia and Atlanta Parties include the State of Georgia, the City of Atlanta, Hartsfield Atlanta International Airport, and the Atlanta Chamber of Commerce.

Massport was created by the Commonwealth of Massachusetts and is in charge of operating Logan International Airport.

The St. Louis Parties include the City of St. Louis and the St. Louis Airport Commission.

¹³ See Order 95-6-26. In addition, we find that grant of these applications will not constitute a "major regulatory action" under the Energy, Policy and Conservation Act of 1975, since grant of each application would not result in a near-term increase in annual fuel consumption in excess of 10 million gallons.

We will also dismiss, without prejudice, the certificate applications of USAir Shuttle and Valujet. Neither carrier is serving Montreal pursuant to the exemption authority granted by Order 92-2-54.

subsequent years of the transitional period separately. By Notice dated October 23, 1995, we solicited second-year applications by U.S. carriers to provide U.S.-Montreal services available in February 1996. ¹⁵ Pursuant to this Notice, five carriers filed certificate applications to use the six second-year opportunities. Because sufficient opportunities were available to meet the carriers' requests, we *sua sponte* granted *pendente lite* exemption authority for the requested second-year U.S.-Montreal services. The pending second-year certificate applications (filed pursuant to the October 23, 1995, Notice), will be handled by separate order.

Finally, we find that the public interest does not require an oral evidentiary hearing or a show-cause proceeding on any of these applications. There are no material, determinative issues of fact requiring such procedures for their resolution.

Terms, Conditions and Limitations

We will issue each of the captioned applicants awarded authority here a new or amended temporary, experimental certificate. ¹⁶ The certificates will be subject to the standard terms, conditions, and limitations applicable to U.S. carrier certificates. In addition, consistent with the terms of the new U.S.-Canada Agreement, the certificates will also include standard terms and conditions applicable to Canadian operations. ¹⁷ Finally, consistent with the awards made for first-year services at Vancouver, the first-year certificates awarded here for the new U.S.-Montreal services will also include a 90-day startup and a 45-day dormancy provision. The dormancy provision will act to cause the authority to expire automatically and be available for award to another carrier if service is not provided for a 45-day period. ¹⁸

ACCORDINGLY,

- 1. We grant, amend, and/or reissue in the form attached, certificates of public convenience and necessity to American Airlines, Inc.; Continental Airlines, Inc.; Delta Air Lines, Inc.; Flagship Airlines, Inc., d/b/a American Eagle; and Northwest Airlines, Inc., for certain services between the United States and Montreal, Quebec, Canada;
- 2. The certificates will be effective 30 days after the service date of this order, subject to the extension of those effective dates in accordance with the provisions of the certificate and certificate amendments;

¹⁵ Continental's application in Docket OST-95-72 also requested authority to serve the Cleveland-Montreal market under Route B.4 of the 1966 Agreement. USAir currently holds authority under this route (USAir Certificate Route 291), and has opposed Continental's application. We will address that portion of Continental's request by separate order.

For those services operated under current exemptions, those exemptions will expire in accordance with their own terms 90 days after issuance of this order.

¹⁷ See Orders 95-6-26 and 95-9-16.

¹⁸ See Order 95-9-16 at 5.

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- 3. To the extent that any of these operations may be conducted under an authorized code-share arrangement, the following conditions apply: the code-sharing operations must comply with 14 CFR 399.88 of the Department's regulations and any amendments to the Department's regulations concerning code-share arrangments that may be adopted and are expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservations systems and elsewhere; and that the carrier selling such transportation accept all obligations established in its contract of carriage with the passenger (*i.e.*, the ticket); and that the operator shall not permit the code of its U.S. air carrier code-sharing partner to be carried on any flight that enters, departs, or transits the airspace of any area for whose airspace the Federal Aviation Administration has issued a flight prohibition; and that the code-share operations must comply with the code-share provisions of the 1995 U.S.-Canada aviation agreement;
- 4. We defer action on the application of Continental Airlines, Inc., in Docket OST-95-72, to provide air transportation of persons, property, and mail between Cleveland, Ohio, and Montreal, Quebec, Canada;
- 5. We dismiss, without prejudice, the applications of Delta Air Lines, Inc. (in Docket OST-95-93); Shuttle, Inc., d/b/a USAir Shuttle (in Docket OST-95-68); Trans World Airlines, Inc. (in Docket OST-95-70); and Valujet Airlines, Inc. (in Docket OST-95-100);
- 6. We dismiss, without prejudice, those portions of the applications of Continental (Docket OST-95-72), American Eagle (Docket OST-95-102), and Northwest (Docket OST-95-90), requesting certificate authority to serve in U.S.-Montreal markets in the second year of the 1995 U.S.-Canada Agreement;
- 7. To the extent requested, we grant all motions for leave to file otherwise unauthorized documents in each of the captioned dockets;
- 8. To the extent not granted, dismissed, or deferred, we deny all motions and requests in these dockets;
- 9. We grant the motion of American Airlines, Inc., for leave to file a late application, in Docket OST-95-105, in response to the Department's Notice of New Route Opportunities (U.S.-Canada), dated January 6, 1995;
- 10. Unless disapproved by the President of the United States under 49 U.S.C. 41307, this order shall become effective upon the 61st day after its submission for section 41307 review, or upon the date of receipt of advice from the President or his designee under Executive Order 12597 and implementing regulations that he or she does not intend to disapprove the Department's order under that section, whichever occurs earlier; ¹⁹ and

¹⁹ This order was submitted for section 41307 review on On we received notification that the President's designee under Executive Order 12597 and implementing regulations did not intend to disapprove the Department's order.

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11. We will serve this order on the parties to the captioned dockets of this order, the Ambassador of Canada in Washington, D.C., the U.S. Department of State (Office of Aviation Negotiations), and the Federal Aviation Administration (AFS-200).

By:

MARK L. GERCHICK Acting Assistant Secretary for Aviation and International Affairs

(SEAL)

APPENDIX

U.S.-MONTREAL CERTIFICATE APPLICATIONS

CARRIER	DOCKET	PROPOSAL */
American	OST-95-105 (formerly 50089)	Dallas/Ft. Worth-Montreal; Daily service; MD80 (Removal of certificate restriction for mandatory stop at Toronto on Montreal services)
Continental	OST-95-72 (formerly 50062)	(1) NY (Newark)-Montreal; 2 Daily flights; B737-300 (code-share w/Air Canada); (2) Houston-Montreal; 3 Daily flights; B-737-300 (code-share w/Air Canada on 2 Daily flights/Split U.SCanada Rt. D.2 w/right to coterminalize Toronto and Montreal); (3) designation for Cleveland-Montreal (code-share w/Air Canada using small aircraft); and (4) right to combine service on these routes with other points Continental is authorized to serve by certificate or exemption.
Delta	OST-95-92 (formerly 50068)	Atlanta-Montreal; 2 Daily flights; B-727-200 (and to integrate this authority with its other certificate or exemption authority).
Flagship d/b/a American Eagle	OST-95-102 (formerly 50075)	New York (JFK)- Montreal; 2 Daily flights; ATR-42.
Northwest	OST-95-90 (formerly 50082)	Minneapolis/St.Paul-Montreal w/single-plane behind gateway service to Albuquerque and Spokane; 2 Daily flights; DC-9-30.
USAir Shuttle, Inc.	OST-95-68 (formerly 50058)	NY (LaGuardia)-Montreal; 2 Daily flights; B-727-200; or Boston (Logan)-Montreal; 1 Daily flight and LaGuardia-Montreal; 1 Daily flight; B-727-200.
Valujet	OST-95-100 (formerly 50077)	Washington, D.C. (Dulles)-Montreal w/single- plane behind gateway service to Atlanta and Ft. Lauderdale; 2 Daily flights; DC-9-30.

^{*/} To the extent that these carriers requested authority for second-year services, because all such requests will be dismissed by this order, those proposals are not summarized here. In addition to Delta's application summarized above, Delta filed a separate application for second-year services (Docket OST-95-93, formerly 50069). TWA also filed an application for second-year services only (Docket OST-95-70 (formerly 50060)). See text of order for a discussion of these applications.



Route 325 (as reissued)

This Certifies That

AMERICAN AIRLINES, INC.

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in foreign air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order On Effective on Affairs Mark L. Gerchick Acting Assistant Secretary for Aviation and International

American Airlines, Inc., for Route 325

is authorized to engage in foreign air transportation of persons, property and mail:

Between the terminal point Dallas/Ft. Worth, Texas, and the terminal points Montreal, Quebec, and Toronto, Ontario, Canada.

- (1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.
- (2) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department of Transportation issued under them or for the purpose of requiring compliance with them.
- (3) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.
- (4) The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).

^{*} This certificate, last reissued by Order 95-3-25, is amended and reissued to remove restrictions prohibiting nonstop service in the Montreal market, and to delete authority to serve the Houston-Montreal/Toronto markets. It also incorporates new standard terms and conditions applicable to U.S. carrier certificates and specific conditions applicable to U.S.-Canada operations.

- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.
- (7) Should the holder propose any substantial change in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.
- (8) In the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department.
- (9) The holder acknowledges that this certificate is granted to determine if the holder's projected services, efficiencies, methods, rates, fares, charges, and other projected results will, in fact, materialize and remain for a sustained period of time, and to determine whether the holder will provide the innovative and low-priced air transportation it proposed in its application for this authority.
- (10) Any all-cargo services operated under this certificate shall be subject to the following conditions:
- (a) Points in the territory of Canada shall not be combined on any same plane scheduled or nonscheduled all-cargo courier service operated with aircraft having a maximum certificated takeoff weight greater than 35,000 pounds.
- (b) Prior to February 24, 1996, any new scheduled or nonscheduled all-cargo service to/from Toronto, Montreal and Vancouver (*i.e.*, service that was not in operation before February 24, 1995) shall be limited to aircraft up to 75,000 pounds maximum certificated takeoff weight inclusive, <u>provided that</u> this condition shall not preclude the operation of ad hoc or single-entity charter flights using aircraft having a maximum certificated takeoff weight greater than 75,000 pounds.

Order Page 3 of 3

(11) In addition to the authority granted on this certificate, the holder may also conduct operations beyond points in Canada to points in third countries that it holds authority to serve, without local traffic rights between points in Canada and such other points in third countries (*i.e.*, on a blind sector basis).

This certificate shall become effective [30 days from notification from White House]; *provided, however,* that prior to the date on which the certificate would otherwise become effective, the Department either on its own initiative or upon the timely filing of a petition for reconsideration of the order issuing this certificate may by order or orders extend such effective date from time to time.

It shall expire April 13, 2000.



Route

This Certifies That

CONTINENTAL AIRLINES, INC.

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in foreign air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order

On

Effective on

Affairs

Mark L. Gerchick

Acting Assistant Secretary

for Aviation and International

Continental Airlines, Inc., for Route

is authorized to engage in foreign air transportation of persons, property and mail:

- 1. Between the terminal point New York/Newark, New Jersey, and the terminal point Montreal, Quebec, Canada.
- 2. Between the terminal point Houston, Texas, and the coterminal points Montreal, Quebec, and Toronto, Ontario, Canada.

- (1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.
- (2) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department of Transportation issued under them or for the purpose of requiring compliance with them.
- (3) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.
- (4) The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).

^{*} This certificate is issued to reflect new authority to serve the New York/Newark-Montreal and Houston-Montreal/Toronto markets. It also incorporates new standard terms and conditions applicable to U.S. carrier certificates and specific conditions applicable to U.S.-Canada operations.

- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.
- (7) Should the holder propose any substantial change in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.
- (8) In the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department.
- (9) The holder acknowledges that this certificate is granted to determine if the holder's projected services, efficiencies, methods, rates, fares, charges, and other projected results will, in fact, materialize and remain for a sustained period of time, and to determine whether the holder will provide the innovative and low-priced air transportation it proposed in its application for this authority.
- (10) Any all-cargo services operated under this certificate shall be subject to the following conditions:
- (a) Points in the territory of Canada shall not be combined on any same plane scheduled or nonscheduled all-cargo courier service operated with aircraft having a maximum certificated takeoff weight greater than 35,000 pounds.
- (b) Prior to February 24, 1996, any new scheduled or nonscheduled all-cargo service to/from Toronto, Montreal and Vancouver (*i.e.*, service that was not in operation before February 24, 1995) shall be limited to aircraft up to 75,000 pounds maximum certificated takeoff weight inclusive, <u>provided that</u> this condition shall not preclude the operation of ad hoc or single-entity charter flights using aircraft having a maximum certificated takeoff weight greater than 75,000 pounds.
- (11) In addition to the authority granted on this certificate, the holder may also conduct operations beyond points in Canada to points in third countries that it holds authority to serve, without local traffic rights between points in Canada and such other points in third countries (*i.e.*, on a blind sector basis).

- (12) The holder shall file notice with the Department if it discontinues service on segment 1 of this certificate for 45 days or longer. This notice shall be given as soon as a decision to discontinue service (other than seasonally) is made, but in no case later than the 46th day of dormancy. Notices shall be filed in the form of a letter addressed to the U.S. Department of Transportation, U.S. Air Carrier Licensing Division, X-44, 400 Seventh Street SW, Washington, DC 20590, and shall identify the dormant route segment, the certificated route number, and the date the 45th day of dormancy will or did occur.
- (13) The carrier may combine service on the route segments in this certificate with other points Continental is authorized to serve by certificate or exemption, consistent with applicable international agreements.

This certificate shall become effective [30 days from notification from the White House]; provided, however, that prior to the date on which the certificate would otherwise become effective, the Department either on its own initiative or upon the timely filing of a petition for reconsideration of the order issuing this certificate may by order or orders extend such effective date from time to time.

The authority to serve segment 1 in this certificate shall expire [90 days from effective date]; provided, however, that if the holder inaugurates service on this route on or before that date, the authorization to serve will continue in effect until five years after its effective date; notwithstanding the above, however, the authority to serve shall expire: (a) the 45th day after the holder discontinues service on that segment or (b) the date the holder notifies the Department (as provided in this certificate), that the route is dormant, whichever occurs earlier; unless the Department earlier suspends, modifies, or deletes the authority.

The authority to serve segment 2 of this certificate shall expire April 13, 2000.



Route

This Certifies That

DELTA AIR LINES, INC.

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in foreign air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order

On

Effective on

Affairs

Mark L. Gerchick

Acting Assistant Secretary

for Aviation and International

Delta Air Lines, Inc., for Route

is authorized to engage in foreign air transportation of persons, property and mail:

Between the terminal point Atlanta, Georgia, and the terminal point Montreal, Quebec, Canada.

- (1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.
- (2) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department of Transportation issued under them or for the purpose of requiring compliance with them.
- (3) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.
- (4) The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).
- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.

^{*} This certificate is issued to reflect new authority to serve the Atlanta-Montreal market. It also incorporates new standard terms and conditions applicable to U.S. carrier certificates and specific conditions applicable to U.S.-Canada operations.

- (7) Should the holder propose any substantial change in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.
- (8) In the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department.
- (9) The holder acknowledges that this certificate is granted to determine if the holder's projected services, efficiencies, methods, rates, fares, charges, and other projected results will, in fact, materialize and remain for a sustained period of time, and to determine whether the holder will provide the innovative and low-priced air transportation it proposed in its application for this authority.
- (10) Any all-cargo services operated under this certificate shall be subject to the following conditions:
- (a) Points in the territory of Canada shall not be combined on any same plane scheduled or nonscheduled all-cargo courier service operated with aircraft having a maximum certificated takeoff weight greater than 35,000 pounds.
- (b) Prior to February 24, 1996, any new scheduled or nonscheduled all-cargo service to/from Toronto, Montreal and Vancouver (*i.e.*, service that was not in operation before February 24, 1995) shall be limited to aircraft up to 75,000 pounds maximum certificated takeoff weight inclusive, <u>provided that</u> this condition shall not preclude the operation of ad hoc or single-entity charter flights using aircraft having a maximum certificated takeoff weight greater than 75,000 pounds.
- (11) In addition to the authority granted on this certificate, the holder may also conduct operations beyond points in Canada to points in third countries that it holds authority to serve, without local traffic rights between points in Canada and such other points in third countries (*i.e.*, on a blind sector basis).
- (12) The holder shall file notice with the Department if it discontinues service on this route for 45 days or longer. This notice shall be given as soon as a decision to discontinue service (other than seasonally) is made, but in no case later than the 46th day of dormancy. Notices shall be filed in the form of a letter addressed to the U.S. Department of Transportation, U.S. Air Carrier Licensing Division, X-44, 400 Seventh Street SW, Washington, DC 20590, and shall identify the dormant route segment, the certificated route number, and the date the 45th day of dormancy will or did occur.

Order Page 3 of 3

(13) The carrier may combine service on the route segment in this certificate with other points Delta is authorized to serve by certificate or exemption, consistent with applicable international agreements.

This certificate shall become effective [30 days from notification from White House]; *provided*, *however*, that prior to the date on which the certificate would otherwise become effective, the Department either on its own initiative or upon the timely filing of a petition for reconsideration of the order issuing this certificate may by order or orders extend such effective date from time to time.

The authority to serve Atlanta-Montreal shall expire [90 days from effective date]; provided, however, that if the holder inaugurates service on this route on or before that date, the authorization to serve will continue in effect until five years after its effective date; notwithstanding the above, however, the authority to serve shall expire: (a) the 45th day after the holder discontinues service on that segment or (b) the date the holder notifies the Department (as provided in this certificate), that the route is dormant, whichever occurs earlier; unless the Department earlier suspends, modifies, or deletes the authority.



Route

This Certifies That

FLAGSHIP AIRLINES, INC. d/b/a AMERICAN EAGLE

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in foreign air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order On

Effective on

Affairs

Mark L. Gerchick

Acting Assistant Secretary

for Aviation and International

Flagship Airlines, Inc., d/b/a American Eagle for Route

is authorized to engage in foreign air transportation of persons, property and mail:

Between the terminal point New York, New York, and the terminal point Montreal, Quebec, Canada.

- (1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.
- (2) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department of Transportation issued under them or for the purpose of requiring compliance with them.
- (3) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.
- (4) The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).
- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.

^{*} This certificate is issued to reflect new authority to serve the New York-Montreal market. It also incorporates new standard terms and conditions applicable to U.S. carrier certificates and specific conditions applicable to U.S.-Canada operations.

- (7) Should the holder propose any substantial change in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.
- (8) In the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department.
- (9) The holder acknowledges that this certificate is granted to determine if the holder's projected services, efficiencies, methods, rates, fares, charges, and other projected results will, in fact, materialize and remain for a sustained period of time, and to determine whether the holder will provide the innovative and low-priced air transportation it proposed in its application for this authority.
- (10) Any all-cargo services operated under this certificate shall be subject to the following conditions:
- (a) Points in the territory of Canada shall not be combined on any same plane scheduled or nonscheduled all-cargo courier service operated with aircraft having a maximum certificated takeoff weight greater than 35,000 pounds.
- (b) Prior to February 24, 1996, any new scheduled or nonscheduled all-cargo service to/from Toronto, Montreal and Vancouver (*i.e.*, service that was not in operation before February 24, 1995) shall be limited to aircraft up to 75,000 pounds maximum certificated takeoff weight inclusive, <u>provided that</u> this condition shall not preclude the operation of ad hoc or single-entity charter flights using aircraft having a maximum certificated takeoff weight greater than 75,000 pounds.
- (11) In addition to the authority granted on this certificate, the holder may also conduct operations beyond points in Canada to points in third countries that it holds authority to serve, without local traffic rights between points in Canada and such other points in third countries (*i.e.*, on a blind sector basis).
- (12) The holder shall file notice with the Department if it discontinues service on this route for 45 days or longer. This notice shall be given as soon as a decision to discontinue service (other than seasonally) is made, but in no case later than the 46th day of dormancy. Notices shall be filed in the form of a letter addressed to the U.S. Department of Transportation, U.S. Air Carrier Licensing Division, X-44, 400 Seventh Street SW, Washington, DC 20590, and shall identify the dormant route segment, the certificated route number, and the date the 45th day of dormancy will or did occur.

Order Page 3 of 3

This certificate shall become effective [30 days from notification from White House]; *provided*, *however*, that prior to the date on which the certificate would otherwise become effective, the Department either on its own initiative or upon the timely filing of a petition for reconsideration of the order issuing this certificate may by order or orders extend such effective date from time to time.

The authority to serve New York-Montreal shall expire [90 days from effective date]; provided, however, that if the holder inaugurates service on this route on or before that date, the authorization to serve will continue in effect until five years after its effective date; notwithstanding the above, however, the authority to serve shall expire: (a) the 45th day after the holder discontinues service on that segment or (b) the date the holder notifies the Department (as provided in this certificate), that the route is dormant, whichever occurs earlier; unless the Department earlier suspends, modifies, or deletes the authority.



Route

This Certifies That

NORTHWEST AIRLINES, INC.

is authorized, subject to the provisions of Subtitle VII of Title 49 of United States Code, the orders, rules, and regulations issued thereunder, and the attached Terms, Conditions, and Limitations, to engage in foreign air transportation of persons, property, and mail.

This Certificate is not transferable without the approval of the Department of Transportation.

By Direction of the Secretary

Issued by Order

On

Effective on

Affairs

Mark L. Gerchick

Acting Assistant Secretary

for Aviation and International

Northwest Airlines, Inc., for Route

is authorized to engage in foreign air transportation of persons, property and mail:

Between the terminal point Minneapolis/St. Paul, Minnesota, and the terminal point Montreal, Quebec, Canada.

- (1) The holder shall at all times conduct its operations in accordance with the regulations prescribed by the Department of Transportation for the services authorized by this certificate, and with such other reasonable terms, conditions, and limitations as the Department of Transportation may prescribe in the public interest.
- (2) The holder shall at all times conduct its operations in accordance with all treaties and agreements between the United States and other countries, and the exercise of the privileges granted by this certificate is subject to compliance with such treaties and agreements and with any orders of the Department of Transportation issued under them or for the purpose of requiring compliance with them.
- (3) The exercise of the authority granted here is subject to the holder's first obtaining from the appropriate foreign governments such operating rights as may be necessary.
- (4) The holder's authority is effective only to the extent that such operations are also authorized by the Federal Aviation Administration (FAA).
- (5) The holder shall at all times remain a "Citizen of the United States" as required by 49 U.S.C. 40102(a)(15).
- (6) The holder shall maintain in effect liability insurance coverage as required under 14 CFR Part 205. Failure to maintain such insurance coverage will render a certificate ineffective, and this or other failure to comply with the Federal Aviation Act or the Department's regulations shall be sufficient grounds to revoke this certificate.

^{*} This certificate is issued to reflect new authority to serve the Minneapolis/St. Paul-Montreal market. It also incorporates new standard terms and conditions applicable to U.S. carrier certificates and specific conditions applicable to U.S.-Canada operations.

- (7) Should the holder propose any substantial change in its ownership, management, or operations (as that term is defined in 14 CFR 204.2(n)), it must first comply with the requirements of 14 CFR 204.5.
- (8) In the event that the holder commences operations for which it was found "fit, willing, and able" and subsequently ceases all such operations, its authority under this certificate shall be suspended under the terms of 14 CFR 204.7 and the holder may not recommence nor advertise such operations unless its fitness to do so has been redetermined by the Department.
- (9) The holder acknowledges that this certificate is granted to determine if the holder's projected services, efficiencies, methods, rates, fares, charges, and other projected results will, in fact, materialize and remain for a sustained period of time, and to determine whether the holder will provide the innovative and low-priced air transportation it proposed in its application for this authority.
- (10) Any all-cargo services operated under this certificate shall be subject to the following conditions:
- (a) Points in the territory of Canada shall not be combined on any same plane scheduled or nonscheduled all-cargo courier service operated with aircraft having a maximum certificated takeoff weight greater than 35,000 pounds.
- (b) Prior to February 24, 1996, any new scheduled or nonscheduled all-cargo service to/from Toronto, Montreal and Vancouver (*i.e.*, service that was not in operation before February 24, 1995) shall be limited to aircraft up to 75,000 pounds maximum certificated takeoff weight inclusive, <u>provided that</u> this condition shall not preclude the operation of ad hoc or single-entity charter flights using aircraft having a maximum certificated takeoff weight greater than 75,000 pounds.
- (11) In addition to the authority granted on this certificate, the holder may also conduct operations beyond points in Canada to points in third countries that it holds authority to serve, without local traffic rights between points in Canada and such other points in third countries (*i.e.*, on a blind sector basis).
- (12) The holder shall file notice with the Department if it discontinues service on this route for 45 days or longer. This notice shall be given as soon as a decision to discontinue service (other than seasonally) is made, but in no case later than the 46th day of dormancy. Notices shall be filed in the form of a letter addressed to the U.S. Department of Transportation, U.S. Air Carrier Licensing Division, X-44, 400 Seventh Street SW, Washington, DC 20590, and shall identify the dormant route segment, the certificated route number, and the date the 45th day of dormancy will or did occur.

Order Page 3 of 3

This certificate shall become effective [30 days from notification from White House]; *provided*, *however*, that prior to the date on which the certificate would otherwise become effective, the Department either on its own initiative or upon the timely filing of a petition for reconsideration of the order issuing this certificate may by order or orders extend such effective date from time to time.

The authority to serve Minneapolis/St. Paul-Montreal shall expire [90 days from effective date]; provided, however, that if the holder inaugurates service on this route on or before that date, the authorization to serve will continue in effect until five years after its effective date; notwithstanding the above, however, the authority to serve shall expire: (a) the 45th day after the holder discontinues service on that segment or (b) the date the holder notifies the Department (as provided in this certificate), that the route is dormant, whichever occurs earlier; unless the Department earlier suspends, modifies, or deletes the authority.